

ESTTA Tracking number: **ESTTA1152514**

Filing date: **08/11/2021**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92077584
Party	Defendant Taje Monbo and Deafueh Monbo
Correspondence Address	TAJE MONBO PO BOX 135 OWINGS MILLS, MD 21117 UNITED STATES
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Deafueh Monbo
Filer's email	12OClockBoyzOwner@gmail.com
Signature	/Deafueh Monbo/
Date	08/11/2021
Attachments	Monbo Motion to Dismiss _ 8-11-2021.pdf(5437122 bytes)

12 O'Clock Boyz films titled "The Paparazzi Edition" in 2003. Since its inception, 12 O'Clock Boyz has been a cultural phenomenon that is eagerly followed by thousands of fans throughout the North East. The success of the 12 O'Clock Boyz films is the reason kids in Baltimore aspired to be 12 O'Clock Boy.

In addition to films, the 12 O'Clock Boyz Marks have been used by the Monbos as a business name for multiple businesses and in connection with the sale of sound recordings and clothing. *See Appendix 1 at page 2.* Specifically, the Monbos have used the 12 O'Clock Boyz Marks for several businesses, including but not limited to those listed below:

<u>No.</u>	<u>Business Name</u>
1	12 O'Clock Boyz, Inc.
2	12 O'Clock Girlz, Inc.
3	12 O'Clock Boyz Records, LLC
4	12 O'Clock Boyz, LLC
5	12 O'Clock Boyz Sports, Inc.

The Monbos have also used the 12 O'Clock Boyz Marks to sell merchandise to promote the 12 O'Clock Boyz films.

The Monbos have been using the title "12 O'Clock Boyz" for their film series and their businesses as early as 2001. The Monbos acquired trademark common law rights for their "12 O'Clock Boyz" Marks in 2001 when they began selling in interstate commerce.

In 2016, the Monbos obtained federal registrations for their "12 O'Clock Boyz" Marks. The Monbos are owners of valid and subsisting U.S. federal trademark registrations for their 12 O'Clock Boyz Marks.

B. Disgraced Counterfeiter, Lotfy Nathan

Lotfy Nathan is a disgraced counterfeiter. Lotfy Nathan was born in 1986 in England, United Kingdom. In 1996, at the age of ten, Lotfy Nathan moved to Massachusetts in the United States. At the time when the legendary 12 O'Clock Boyz (2001) film was released in 2001, Lotfy Nathan was fifteen years old. When the Monbos released their second film in a series of 12 O'Clock Boyz films titled "The Paparazzi Edition" in 2003, Lotfy Nathan was seventeen years old.

In 2005, Lotfy Nathan moved to Baltimore, Maryland for college, where he watched the legendary 12 O'Clock Boyz (2001) and (2003) films while living in Maryland. Lotfy Nathan is a fan of the 12 O'Clock Boyz film series. Lotfy Nathan is a disgraced counterfeiter who was caught trading on the goodwill and reputation of the 12 O'Clock Boyz Marks. *See Appendix 1.*

Lotfy Nathan owned the counterfeiting company, Red Gap Film Group, LLC, which was **forfeited on October 3, 2014, by the State of Maryland.** *See Appendix 2*

II. Pursuant to Maryland Corporations and Associations Code § 4A-911, Lotfy Nathan can not file a cancellation proceeding through his forfeited company, Red Gap Film Group.

Lotfy Nathan cannot file or maintain this cancellation proceeding through Red Gap Film Group, LLC ("Red Gap") because Red Gap was forfeited on October 3, 2014. *See Appendix 2.*

Hence, Red Gap is a forfeited LLC and cannot file or maintain a lawsuit under Md. Corporations and Associations Code Ann. §4A-911(d). *See Appendix 3*

Under Md. Corporations and Associations Code Ann. § 4A-911(d), a forfeited LLC cannot "maintain" a suit. *See Remus Enterprises, LLC Enterprises, LLC vs. Freedom Equity, LLC,*

No. 2318, Filed: December 7, 2015. Also see *Price v. Upper Chesapeake Health Ventures*, 995 A.2d 1054(2010)¹.

Consequently, Lotfy Nathan, if standing in Red Gap's shoes, also cannot file or maintain a cancellation proceeding against the Monbos. See *Julie A. Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028 (TTAB 2017) [precedential] (Opinion by Cindy B. Greenbaum).

Lotfy Nathan's cancellation petition must be dismissed with prejudice.

III. Failure to Join a Party Under Rule 19

Rule 12 of the Federal Rules of Civil Procedure provides that a complaint may be dismissed for "failure to join a party under Rule 19." Fed. R. Civ. P. 12(b)(7)4; see also *Ethicon, Inc. v. United States Surgical Corp.*, 135 F.3d at 1468; *Nartron Corp. v. Borg Indak, Inc.*, No. 06-10683, 2008 U.S. Dist. LEXIS 107745, at *33 (E.D. Mich. March 31, 2008) (granting motion to dismiss), rev'd on other grounds, 558 F.3d 1352 (Fed. Cir. 2009); *Merial Ltd. v. Intervet Inc.*, 430 F. Supp. 2d 1357, 1364 (N.D. Ga. 2006) (granting motion to dismiss).

Here, in this USPTO case, Lotfy Nathan has brought a cancellation proceeding through his forfeited company, Red Gap, without joining Red Gap as a Petitioner because he knows Red Gap is forfeited. Lotfy Nathan lacks standing. See *Julie A. Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028 (TTAB 2017) [precedential] (Opinion by Cindy B. Greenbaum).

¹ In 2010, the Court of Special Appeals of Maryland had to decide whether a forfeited LLC had the right to file suit in the case of *Price v. Upper Chesapeake Health Ventures*, 995 A.2d 1054 (2010). The Court reasoned that the negative implication of the right to defend was that a forfeited LLC did not have the right to file or maintain a lawsuit. See **Price at 1061**. The Court held that "a LLC whose rights have been forfeited for tax failures still exists as an entity, but may only defend an action in court, not prosecute one." See **Price at 1062**.

IV. Lotfy Nathan is a mere intermeddler.

A petitioner must demonstrate that it possesses a "real interest" in a proceeding beyond that of a mere intermeddler, and "a reasonable basis for his belief of damage." *See Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 111 USPQ2d at 1062 (citing *Ritchie v. Simpson*, 170 F.3d 1902, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999)). Attorney argument does not substitute for evidence. *Cai v. Diamond Hong, Inc.*, 901 F.3d 1367, 127 USPQ2d 1797, 1799 (Fed. Cir. 2018) (citation omitted).

Here, Lotfy Nathan is a mere intermeddler. Lotfy Nathan has no real interest in the proceeding.

V. Lotfy Nathan does not have common law rights.

There is no doubt that the Monbos have priority over the intermeddler, Lotfy Nathan. Specifically, the Monbos have been using the title "12 O'Clock Boyz" for their film series and businesses as early as 2001. *See Appendix 1.*

Lotfy Nathan can not establish priority. Lotfy Nathan does not have common law rights.

VI. Lotfy Nathan has not introduced any United States trademark registrations.

Lotfy Nathan has not pleaded or introduced any United States trademark registrations. Lotfy Nathan does not own a U.S. trademark registration and has never owned a U.S. trademark registration. Lotfy Nathan lacks standing. *See Julie A. Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028 (TTAB 2017) [precedential] (Opinion by Cindy B. Greenbaum).

VII. Pursuant to Fed. R. Civ. P. 13(a), Lotfy Nathan co-defendants' counterclaims are barred and deemed waived.

Lotfy Nathan has been very careful not to submit copies of his co-defendants' Notice of Voluntary Dismissal of their counterclaims in District Court Case No. 17-CV-07458-MKB-ST based on wanton omission.

Lotfy Nathan has ultimately withheld his co-defendants' Notice of Voluntary Dismissal of their counterclaims (i.e., critical material evidence) from being submitted to the USPTO Board, which would show that Lotfy Nathan's co-defendants waived their counterclaims.

As a matter of fact, Lotfy Nathan's co-defendants had their claims pending in District Court Case No: 17-CV-07458-MKB-ST, which they voluntarily dismissed on June 14, 2019, for lack of standing. *See Appendix 4*

Pursuant to Fed. R. Civ. P. 13(a), Lotfy Nathan co-defendants' compulsory counterclaims are **barred and are deemed waived**. *Mesker Bros. Iron Co. v. Donata Corp.*, 401 F.2d 275, 279.

On July 8, 2019, in the Monbos' Memorandum of Law in support of their Motion to Dismiss the purported counterclaims of Lotfy Nathan's co-defendants, it is asserted that pursuant to Fed. R. Civ. P. 13(a), Lotfy Nathan co-defendants' compulsory counterclaims are barred and are deemed waived. *See Appendix 5* for the relevant facts and laws set forth in the Monbos' Motion to Dismiss the purported counterclaims of Lotfy Nathan's co-defendants in pending Case No. 1:18-CV-05930-MKB-ST.

For the sake of brevity, the facts and laws are not repeated at length herein. The USPTO Board is referred to **Appendix 5** attached hereto.

VIII. Lotfy Nathan has brought his cancellation petition in bad faith

Lotfy Nathan has brought his cancellation petition in bad faith. Lotfy Nathan's "petition for cancellation" is a **transparent sham** that is designed to delay the processing of the Monbos' combined Section 8 & 15 Declarations of Use Applications filed on July 6, 2021; meanwhile, (1) Lotfy Nathan has no common law rights (2) Lotfy Nathan has no United States trademark registrations and (3) Lotfy Nathan through his forfeited company (Red Gap) can not file or maintain a cancellation proceeding by law.

CONCLUSION

Under *Maryland Corporations and Associations Code § 4A-911* and Trademark Act, Lotfy Nathan does not have the legal right to pursue his petition for cancellation. As seen from Appendices 2 and 3, Lotfy Nathan can not file or maintain a cancellation proceeding through his forfeited company, Red Gap because Red Gap is forfeited. As such, Lotfy Nathan through his forfeited company, Red Gap, does not have any real interest in the proceeding by law, and Lotfy Nathan's petition is not properly before the USPTO Trial Board. Therefore, consistent with *Maryland Corporations and Associations Code § 4A-911* and the Trademark Act, Lotfy Nathan's petition for cancellation must be dismissed with prejudice.

Respectfully Submitted:

/Deafueh Monbo/
Deafueh Monbo, Trademark Owner

Dated: August 11, 2021

AGREED

I, Taje Monbo, am the Co-Trademark Owner of the 12 O'Clock Boyz Mark. I agree with Deafueh Monbo that the cancellation proceedings must be dismissed.

/Taje Monbo/
Taje Monbo

APPENDIX LIST

This Motion To Dismiss With Prejudice is supported by the below-attached Appendices.

<u>NUMBER</u>	<u>DESCRIPTION OF APPENDIX</u>
Appendix 1	Letter from Astrachan Gunst Thomas to Lotfy Nathan dated October 20, 2014.
Appendix 2	Print-out of the State of Maryland website showing Lotfy Nathan's company as "Forfeited".
Appendix 3	Maryland Corporations and Associations Code § 4A-911
Appendix 4	Notice of Voluntary Dismissal pursuant to F.R.C.P. 41(a)(1)(A)(i) filed by Lotfy Nathans' Co-Defendants on June 14, 2019 for lack of standing.
Appendix 5	The Monbos' Motion to Dismiss Lotfy Nathan's Co-Defendants Counterclaims with Prejudice in District Court Case No. 1:18-CV-05930-MKB-ST.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this MOTION TO DISMISS WITH PREJUDICE was served on Petitioner on August 11, 2021 to:

Michael Leonard
Fox Rothschild, LP
997 Lenox Drive, Bldg 3
Lawrenceville, NJ 08648

Email(s): mleonard@foxrothschild.com
ipdocket@foxrothschild.com

s /Deafueh Monbo/

Deafueh Monbo

APPENDIX 1

astrachan gunst thomas

a professional corporation
attorneys at law

217 east redwood street
21st floor
baltimore, maryland 21202
410.783.3550
410.783.3530 fax

washington, dc

www.agtlawyers.com

Writer's Direct Contact:

Reply to Baltimore Office

October 20, 2014

Lotfy Nathan
The Red Gap Film Group, LLC
194 S. 2nd Street, Floor 3
Brooklyn, NY 11211

Dan Berger
David Laub
Oscilloscope, Inc. d/b/a Oscilloscope Laboratories
511 Canal Street, #5E
New York, NY 10013

Re: "12 O'Clock Boys"

Gentlemen:

I represent Taje Monbo [REDACTED] who own the copyright in the motion picture entitled "12 O'Clock Boyz." My clients registered their copyright on August 24, 2001 (Reg. No. PAu 002610236). I understand that Oscilloscope, Inc. d/b/a Oscilloscope Laboratories ("Oscilloscope") is the distributor of the film entitled "12 O'Clock Boys," and that the film was produced, and is owned, by The Red Gap Film Group, LLC ("Red Gap").

"12 O'Clock Boyz" is a legendary motion picture that was released in 2001, documenting the exploits of young African-American dirt bike riders in Baltimore, Maryland. The title of the film is a phrase coined by Mr. Monbo to describe the way in which riders would elevate the front of their bikes and ride only on the back wheels until their bikes would be perpendicular to the road or in the "12 O'Clock" position. Mr. Monbo subsequently released the second in a series of 12 O'Clock Boyz films titled "The Paparazzi Edition."

When my clients learned that Oscilloscope had released a film titled "12 O'Clock Boys," they watched it and were surprised to find that the film not only is a documentary about Baltimore dirt bike riders who tilt their bikes into the "12 O'Clock" position, but that the film contains significant excerpts and clips from their original "12 O'Clock Boyz" motion picture. At about seventeen minutes into "The 12 O'Clock Boys," the original title from my clients' film appears on screen:

October 20, 2014
Page 2 of 3

astrachan ~~gunst~~ thomas

**“12 O’Clock Boyz, Inc.
presents
The Official 12 O’Clock Boyz.”**

The title is followed by 15 to 20 excerpts copied from the original film. These clips include shots of PeeWee, Nephew Fred, Weedy, Shorty and Silly as well as scenes of bike-riding exploits, interviews with riders and other commentators, a scene of dirt bikes being washed and even the shot of a young woman being spanked on the backside as she walks away. My clients were not advised that any of these 15 or 20 clips from their film were being used in “12 O’Clock Boys” and did not give permission for their use.

The use of film segments from “12 O’Clock Boyz” (the “Copyrighted Work”) in “12 O’Clock Boys” is an infringement of my clients exclusive rights under 17 U.S.C. § 106 to reproduce the Copyrighted Work and to prepare derivative works based upon the Copyrighted Work. The release and distribution of “12 O’Clock Boys” containing clips from “12 O’Clock Boyz” infringes my clients’ exclusive rights to distribute copies of the Copyrighted Work and to perform the Copyrighted Work publicly. The remedies available to my clients for these infringements include their actual damages and any additional profits made by Red Gap and Oscilloscope or statutory damages up to \$150,000 as well as injunctive relief, attorneys’ fees and costs.

Mr. Monbo is not only the copyright owner of “12 O’Clock Boyz,” but he also appeared in the film as an actor. At least two of the segments taken from his motion picture that are shown in “12 O’Clock Boys” feature Mr. Monbo being interviewed. He did not grant permission, nor has he been compensated, for the use of his image and likeness in “12 O’Clock Boys.”

The use of the phrase “12 O’Clock Boys” as the title of the Red Gap film constitutes trademark infringement and unfair competition under the Lanham Act. Although trademark rights may not attach to the title of a single creative work, in this case “12 O’Clock Boyz” has been used as the title of an ongoing series of creative works evidenced by the release of a second 12 O’Clock Boyz film, and the phrase has acquired secondary meaning. In addition, the mark has been used by my clients in connection with the sale of sound recordings and clothing. Moreover, the use of the clip “12 O’Clock Boyz, Inc. presents The Official 12 O’Clock Boyz” in the Red Gap film creates the false impression that there is an endorsement by my clients of the new Red Gap film or an affiliation between the original film and the Red Gap film.

Red Gap did not clear, or license the rights to, any of the clips from my clients’ film before using them in “12 O’Clock Boys” despite the fact that an online search of the Copyright Office database shows that “12 O’Clock Boyz” was registered in 2001, and that my clients are the copyright owners. The right to use the title “12 O’Clock Boys,” and to use the images of Mr. Monbo, were similarly not obtained before the release of “12 O’Clock Boys.” Mr. Monbo [REDACTED] nevertheless would like to reach an amicable resolution in this matter. They would be

October 20, 2014
Page 3 of 3

astrachan ~~gunst~~ thomas

willing to agree to appropriate compensation and proper attribution for the use of their title and clips and for the use of Mr. Monbo's image.

A fair and reasonable license fee under all of the circumstances is [REDACTED] of any and all gross revenue derived from domestic and foreign exploitation of "12 O'Clock Boys" including theatrical performances, home market performances and all other forms of electronic transmission from the date of release in perpetuity. In addition, for all future uses of "12 O'Clock Boys," we would expect the film to include appropriate credits for the original film and for Mr. Monbo's appearance. If these deal points are acceptable, please send me a detailed accounting of gross receipts to date and the draft of an agreement providing for future payments.

Thank you for your prompt attention to this matter.

Very truly yours,

[REDACTED]

[REDACTED]
cc: Taje Monbo
[REDACTED]

APPENDIX 2

➔ Maryland Business Express

 Home

 Log In / Create Account

THE RED GAP FILM GROUP, LLC: W14693261

General Information

Filing History

Annual Report/Personal Property

Filing History

The items listed below are associated with this business.

-  – Click to view/print PDF (note: some items may not be available to view)
-  – Click to view comment associated with this item

Item	Date/Time Filed	Film	Folio	Pages
DEPT. ACTION - FORFEITURE 	10/3/2014 11:00:00 PM			
 ARTICLES OF ORGANIZATION	5/24/2012 4:03:00 PM			2

 [New Search](#)

[Order Documents](#)

[Privacy and Security Policy](#) | [Accessibility Policy](#)

FOR FILING AND BUSINESS RELATED QUESTIONS

Maryland Department of Assessments & Taxation
410-767-1184 | Outside the Baltimore Metro Area: 888-246-5941
Maryland Relay: 800-735-2258

FOR TECHNICAL QUESTIONS AND SUPPORT

NIC Maryland, eGov Services Partner of the Department of Information Technology (DoIT) and

THE RED GAP FILM GROUP, LLC: W14693261

Department ID Number:

W14693261

Business Name:

THE RED GAP FILM GROUP, LLC

Principal Office: 

2239 KIRK AVENUE

BALTIMORE MD 21218

Resident Agent: 

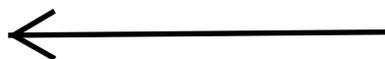
MARTI RYAN DANE NESTER

2239 KIRK AVENUE

BALTIMORE MD 21218

Status:

FORFEITED



Good Standing:

THIS BUSINESS IS NOT IN GOOD STANDING

Business Type:

DOMESTIC LLC

Business Code:

20 ENTITIES OTHER THAN CORPORATIONS

Date of Formation/ Registration:

05/24/2012

State of Formation:

MD

Stock Status:

N/A

Close Status:

N/A

APPENDIX 3

2019 Maryland Code

Corporations and Associations

Title 4A - Limited Liability Company Act

Subtitle 9 - Dissolution, Forfeiture, and Reinstatement

§ 4A-911. Failure to pay taxes or required contributions; proclamation

Universal Citation: MD Corp & Assn Code § 4A-911 (2019)

(a) (1) Except with respect to a tax collectable locally, immediately after September 30 of each year, the State Comptroller shall certify to the Department a list of every Maryland limited liability company that has not paid a tax due before October 1 of the year after the tax became due.

(2) When the Comptroller certifies the list to the Department, the Comptroller shall mail to each listed limited liability company, at its address as it appears on the Comptroller's records, a notice that its right to do business in Maryland and the right to the use of its name will be forfeited unless all taxes, interest, and penalties due by it are paid.

(3) The mailing of the notice is sufficient, and the failure of any limited liability company to receive the notice mailed to it does not affect the forfeiture of its right to do business in Maryland and the right to the use of its name.

(b) (1) Immediately after September 30 of each year, the Secretary of Labor shall certify to the Department a list of every Maryland limited liability company that has not paid an unemployment insurance contribution or made a reimbursement payment due before October 1 of the year after the contribution or payment became due.

(2) When the Secretary certifies the list to the Department, the Secretary shall mail to each listed limited liability company, at its address as it appears on the Secretary's records, a notice that its right to do business in Maryland and the right to the use of its name will be forfeited unless all contributions, reimbursement payments, interest, and penalties due by the limited liability company are paid.

(3) The mailing of the notice is sufficient, and the failure of any limited liability company to receive the notice mailed to it does not affect the forfeiture of its right to do business in Maryland and the right to the use of its name.

(c) Immediately after September 30 of each year, the Department shall certify a list of every Maryland limited liability company that has not filed an annual report with the Department as required by law or has not paid a tax before October 1 of the year after the report was required to be filed or the taxes were due.

→ (d) After the lists are certified, the Department shall issue a proclamation declaring that, subject to § 4-A-920 of this subtitle, the right to do business in Maryland and the right to the use of the name for each limited liability company is forfeited as of the date of the proclamation, without proceedings of any kind either at law or in equity.

APPENDIX 4

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

OSCILLOSCOPE PICTURES, INC.,)	
)	
Plaintiff,)	Case No. 17-cv-07458-MKB-ST
v.)	
)	
DEAFUEH MONBO and TAJE MONBO,)	
both individually and doing business as)	
12 O’CLOCK BOYZ,)	
)	
Defendants.)	

NOTICE OF VOLUNTARY DISMISSAL PURSUANT TO F.R.C.P. 41(a)(1)(A)(i)

Pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure, Plaintiff OSCILLOSCOPE PICTURES, INC., and their counsel hereby give notice that the above-captioned action is voluntarily dismissed without prejudice.

Dated: June 14, 2019

MELONI & MCCAFFREY
A Professional Corporation

By: _____
Robert S. Meloni (RM-8087)
3 Columbus Circle, 15th Floor
New York, New York 10036

*Attorneys for Plaintiff Oscilloscope
Pictures, Inc.*

APPENDIX 5

ORIGINAL

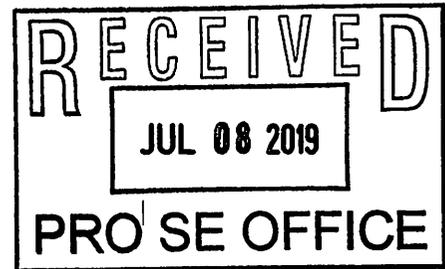
IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

TAJE MONBO, <i>et al.</i>	:	
	:	Civil Action No.: CV-18-5930
Plaintiffs,	:	
v.	:	Assigned Judge: Margo K. Brodie
	:	
LOTFY NATHAN, <i>et al.</i>	:	Magistrate Judge: Steven L. Tiscione
	:	
Defendants,	:	

July 5, 2019

REQUEST FOR PRE-MOTION CONFERENCE ON MOTION TO DISMISS OSCILLOSCOPE PICTURES' COUNTERCLAIMS WITH PREJUDICE

Honorable Margo K. Brodie
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201



Dear Judge Brodie,

Taje Monbo and Deafueh Monbo ("Plaintiffs" or "the Monbo Parties") request a pre-motion conference regarding the Motion to Dismiss Oscilloscope Pictures' Counterclaims with Prejudice for (1) Waiver of Compulsory Counterclaim under Rule 13(a) and (2) Lack of Subject Matter Jurisdiction under Rule 12(b)(1) and (3) Failure to Join a Party under Rule 19 pursuant to Rule 12(b)(7).

Oscilloscope Pictures filed its counterclaims on June 14, 2019. (Dkt 87) without first filing a "Motion For Leave to Amend", which must accompany the [Proposed] Amended Answers and Counterclaim.

Pursuant to Rule 12(a)(1), Plaintiffs' answer to the counterclaims was due Friday, July 5, 2019.¹ However, since the Court was closed on Friday, July 5, 2019 for the Independence Day holiday, the Plaintiffs' due date is the next business day, **Monday, July 8, 2019.**

In lieu of an Answer, Plaintiffs request a pre-motion conference for their Motion to Dismiss Oscilloscope Pictures' counterclaims.

Respectfully Submitted,

[Redacted signature]

[Redacted signature] 7/8/2019

Cc: Robert Meloni
Joel W. Sternman, Joel Weiner, and Sean Akchin
Alan Friedman and Catherine A. Savio

¹ Former Plaintiffs' Counsel, David Lin was removed as Attorney of Record on Wednesday, July 3, 2019

BASIS FOR MOTION TO DISMISS

1. On March 4, 2019, Oscilloscope Pictures (Oscilloscope) filed its Answer to the Monbo Parties' complaint. *See* Dkt 34
2. Oscilloscope did not plead any counterclaims at the time it filed its Answer as required under Rule 13(a).
3. On June 14, 2019, after Oscilloscope had already filed its initial Answer, Oscilloscope filed an amended Answer to add Counterclaims. *See* (Dkt 87).
4. Oscilloscope brought counterclaims without naming its Licensor, Red Gap Film Group, LLC (Red Gap), as a Co-Counterclaim Plaintiff. Further, Oscilloscope brought Counterclaims against Plaintiffs, standing in the shoes of Red Gap. *See* Dkt No. 87, at Line 65
5. Red Gap is the copyright owner of the film entitled "12 O'Clock Boys" which bears the registration no. PAu003699143 and was issued on September 6, 2013, not Oscilloscope. *See* Dkt 87, Line 38.
6. Red Gap, the licensor of Oscilloscope is a Maryland Limited Liability Company (LLC) in forfeited status.
7. Oscilloscope's counterclaims should be dismissed on the following grounds:

I. Compulsory Counterclaim Rule

Rule 13(a), the compulsory-counterclaim rule, requires a defendant to plead any counterclaim which "arises out of the transaction or occurrence that is the subject matter of the opposing party's claim and does not require for its adjudication the presence of third parties of whom the court cannot acquire jurisdiction." The claim is not compulsory if it was the subject of another pending action at the time the action was commenced, or if the opposing party brought his suit by attachment or other process not resulting in personal jurisdiction but only in rem or quasi in rem jurisdiction. **A counterclaim which is compulsory but is not brought is thereafter barred**, e.g., *Mesker Bros. Iron Co. v. Donata Corp.*, 401 F.2d 275, 279.

Here, in this case, Oscilloscope had its claims pending in Case No. 17-CV-07458-MKB-ST which Oscilloscope voluntarily dismissed on June 14, 2019.

Pursuant to Rule 13(a), Oscilloscope compulsory counterclaims are barred and are deemed waived. *See Mesker Bros. Iron Co. v. Donata Corp.*, 401 F.2d 275, 279.

Further, it would be prejudicial to Plaintiffs for Oscilloscope to add counterclaims in this case, especially when Oscilloscope already had its claims pending in Case No. 17-CV-07458-MKB-ST at the time Oscilloscope answered, and then chose to voluntarily dismiss its claims **when faced with the threat of a motion to dismiss for lack of standing.**

Further, the filing of the counterclaims by Oscilloscope, without first filing a "Motion For Leave to Amend", violated this Court's Individual Rule 3.A.iii and Fed. R. Civ. P. 15, as a "Motion For Leave to Amend" must accompany the [Proposed] Amended Answers and Counterclaim. Here, Oscilloscope has only filed a letter to the Judge. (Dkt 79)

II. Oscilloscope Failed To Join Red Gap, a Necessary and Indispensable Party Under Rule 19

A. Required Party

Assuming arguendo, that Oscilloscope had the right to take its claims from Case No. 17-CV-07458-MKB-ST and just file it into this case, which Oscilloscope does not, Oscilloscope's claims would still be dismissed because Oscilloscope failed to add its Licensor, Red Gap as a co-counterclaim Plaintiff.

Rule 12 of the Federal Rules of Civil Procedure provides that a complaint may be dismissed for "failure to join a party under Rule 19." Fed. R. Civ. P. 12(b)(7)4; see also *Ethicon, Inc. v. United States Surgical Corp.*, 135 F.3d at 1468; *Nartron Corp. v. Borg Indak, Inc.*, No. 06-10683, 2008 U.S. Dist. LEXIS 107745, at *33 (E.D. Mich. March 31, 2008) (granting motion to dismiss), rev'd on other grounds, 558 F.3d 1352 (Fed. Cir. 2009); *Merial Ltd. v. Intervet Inc.*, 430 F. Supp. 2d 1357, 1364 (N.D. Ga. 2006) (granting motion to dismiss).

In this case, Oscilloscope, the licensee, has brought a lawsuit without joining its licensor, Red Gap Film Group, LLC (Red Gap) as a co-counterclaim plaintiff. **Red Gap, is a necessary and indispensable party to Oscilloscope's lawsuit.** See *Ethicon*, 135 F.3d at 1467-68.

Oscilloscope should not be standing in the shoes of Red Gap. Rather, Oscilloscope should be standing with Red Gap.

B. Oscilloscope Cannot File or Maintain this Lawsuit Because its Licensor, Red Gap is Forfeited

The court may allow joinder of a required party without prejudice to the Defendant under Rule 21. **However, in this case, Red Gap is a forfeited LLC and cannot file or maintain a lawsuit under *Md. Corporations and Associations Code Ann. §4A-911(d)*.** See **Exhibit 1**

Under *Md. Corporations and Associations Code Ann. § 4A-911(d)*, a forfeited LLC cannot "maintain" a suit. See *Remus Enterprises, LLC Enterprises, LLC vs. Freedom Equity, LLC*, No. 2318, Filed: December 7, 2015. Also see *Price v. Upper Chesapeake Health Ventures*, 995 A.2d 1054 (2010).¹

Consequently, Oscilloscope, if standing in Red Gap's shoes, also cannot file or maintain a lawsuit against Plaintiffs. Therefore, Oscilloscope's case should be dismissed with prejudice.

III. Oscilloscope Lacks Standing to Sue

A. Copyright Act

To decide whether an exclusive licensee has the right to sue for the infringement of a licensed Intellectual Property right, courts often first interpret the intent of the parties to the exclusive license agreement in order to determine whether or not the license at issue is in fact an exclusive license. See, e.g., *Textile Prods., Inc. v. Mead Corp.*, 134 F.3d 1481, 1484 (Fed. Cir. 1998) ("Determining whether a licensee is an exclusive licensee or a bare licensee is a question

¹ In 2010, the Court of Special Appeals of Maryland had to decide whether a forfeited LLC had the right to file suit in the case of *Price v. Upper Chesapeake Health Ventures*, 995 A.2d 1054 (2010). The Court reasoned that the negative implication of the right to defend was that a forfeited LLC did not have the right to file or maintain a lawsuit. See *Price at 1061*. The Court held that "a LLC whose rights have been forfeited for tax failures still exists as an entity, but may only defend an action in court, not prosecute one." See *Price at 1062*.

of ascertaining the intent of the parties . . . as manifested by . . . their agreement and examining . . . the grant. **The use of the word ‘exclusive’ is not controlling; what matters is the substance of the arrangement.**” (internal citations omitted)); see also Kim J. Landsman et al., *Standing and Joinder Considerations in Trademark Litigation and Licenses*, 99 L.J. INT’L TRADEMARK ASS’N 1437, 1440 (2009) (providing an analysis under U.S. trademark law)

Although Oscilloscope alleges that Oscilloscope is the "exclusive" licensee of Red Gap. (Dkt No.87, at Line 65), Oscilloscope has not shown the Court that it has sufficient or substantial rights to bring this lawsuit, therefore Oscilloscope's complaint should be dismissed. Further, the fact that Oscilloscope states that "Oscilloscope is standing in the shoes of Red Gap" (Dkt No. 87, at Line 65) shows that Oscilloscope cannot stand on its own and lacks standing. “[I]f the original plaintiff lacked Article III initial standing, the suit must be dismissed, and the jurisdictional defect cannot be cured’ after the inception of the lawsuit.” See *Whitmore* and *Lujan*. Therefore, Oscilloscope's case should be dismissed with prejudice.

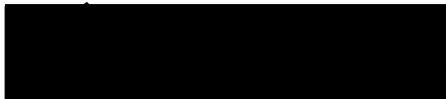
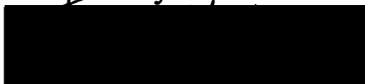
B. Trademark Act

Standing is a threshold issue that must be proven by the plaintiff in every *interpartes* case. To establish standing in an opposition or cancellation proceeding, a plaintiff must show “both a ‘real ‘interest’ in the proceedings as well as a ‘reasonable basis’ for its belief of damage.” *Empresa Cubana Del Tabaco v. Gen. Cigar Co.*, 753 F.3d 1270, 111 USPQ2d 1058, 1062 (Fed. Cir. 2014) (quoting *ShutEmDown Sports, Inc. v. Lacy*, 102 USPQ2d 1036, 1041 (TTAB 2012)), *cert denied*, 135 S. Ct. 1401 (2015); *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

Oscilloscope has not produced nor introduced a United States trademark registration. **Further, Red Gap, the licensor of Oscilloscope, does not own a United States trademark registration.** Red Gap never owned the mark 12 O’Clock Boys, therefore Red Gap does not provide any transfer of rights to Oscilloscope under the Trademark Act.

Oscilloscope lacks standing. See *Julie A. Moreno v. Pro Boxing Supplies, Inc.*, 124 USPQ2d 1028 (TTAB 2017) [precedential] (Opinion by Cindy B. Greenbaum).

Respectfully Submitted:



CERTIFICATE OF SERVICE

I hereby certify that a copy of this Request for Pre-Conference on Motion to Dismiss Oscilloscope's Counterclaims With Prejudice was mailed July 5, 2019 to

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EXHIBIT 1



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